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CENTRAL INTELLIGENCE AGENCY

REPORT

## INFORMATION REPORT

CD NO

25X1

COUNTRY

SUBJECT SED Attitude toward London Agreement

NO OF PAGES

25X1

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ACQUIREDNO. OF ENCLS  
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1.

no directives

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had been received from the Soviet Embassy regarding the London agreement by the time of the 30 September meeting of the GDR Council of Ministers. No new directives had been issued, either, to the official press of the GDR and the Propaganda Department of the SED Central Committee. On 29 September, it was still believed in circles of the Central Committee that the London Conference would end in failure and that Mendes-France was only trying to gain time. The SED Central Committee had been informed by Pushkin through Ulbricht that Dulles would leave London on 30 September, that Great Britain would not associate herself with a European defense system as closely as was generally expected, and that France would strictly oppose the rearmament of Western Germany to the extent planned by the conference. If, contrary to all expectations, Mendes-France did not obstruct a solution in London, he would never find the backing of the French people and the French Chamber. It was furthermore held that the rearmament of Western Germany against French opposition would lead to the disintegration of the Western alliance, which disintegration would have far-reaching political consequences.

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2. The news of the successful conclusion of the London conference which arrived in East Berlin on 30 September produced a great shock among both the Soviet and SED leaders. The London agreement had a paralyzing effect and therefore, Pushkin gave the order not to comment upon this agreement for the time being but to stress the proposals made by Vyshinski before the UN and to contrast them with the rearmament plans of the Western powers. Pushkin indicated that a thorough reorientation of Soviet policies in Germany and Europe must be expected if London really proved a success for the Western powers. He furthermore stated that West Germany's reception into NATO would be a direct threat to the security of the USSR and would force her to take counter-measures.
3. The directives of the SED Central Committee relative to the London agreement as made known by Hagert and Oelsgaer took the following line: News so far received from London indicates that a final compromise has been reached at the expense of France and the working population in Western Germany. Both may be expected to oppose this agreement in due course.

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The USA intends to furnish the West German troops with the best equipment and it must, therefore, be feared that the German contingents will be the most combat-efficient elements of the NATO forces in Europe by 1956. Adenauer may be expected to resign rather soon. The success scored by him in London would save his face and would make it easier for him to hand over the power in Germany to the magnates of the armament industry and fascist generals who were intent on a policy of revenge. The USSR was convinced that, if the London agreement became a reality, the first German divisions would be ready in about 50 days. The war-mongers would, however, soon realize that their plans were bound to fail because the USSR had submitted to the world a new disarmament proposal which went far to meet the suggestions of the Western powers. Moreover, the USSR had declared her readiness to submit to armament controls on an international basis. Thus the good faith of the USSR had been proved beyond doubt. With regard to the rearmament of Germany, the Soviets would make new proposals in order to avoid an armament race. According to these proposals, Western Germany would be rearmed in stages over a period of 20 years and would, for the time being, only be allowed to organize police troops on a limited scale such as exist in the GDR. The strength of the West German and East German police forces may be set at a ratio of 3:1.

4. The directives issued by the SED Central Committee furthermore pointed out that Western Germany must be granted the same degree of sovereignty by the Western occupation powers as had been given to the GDR by the USSR. The USSR would then be ready to recognize the sovereignty of Western Germany and exchange ambassadors with it. Moreover, the USSR would be ready to guarantee the status of West Germany if Bonn should wish such a guarantee. The main fact was the four-power negotiations should be held immediately. The USSR would not oppose the holding of free elections in Germany prior to its reunification. Ulbricht had made known the Soviet proposals for a reunification of Germany in an election rally. These proposals envisaged the formation of a provisional all-German government with the task of preparing a new election law. The four occupation powers had to make certain that within the next 20 years, an all-German government would only maintain police troops in its territory and would refrain from joining any military alliance. If the West German government accepted the obligation of maintaining foreign divisions on German soil because Germany felt her security threatened by the USSR, the Soviet proposal had to be considered as a great step forward; for it guaranteed the peaceful reunification of Germany and the national security and independence of the country. It would mean, moreover, the saving of enormous sums which would otherwise have to be spent on armaments. The USSR would be ready to withdraw her troops from Germany after the reunification of the country, either immediately or 20 years after the reunification date at the latest.

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